



Dianne Blumer
6058 Azalea Dr.
Anchorage, Alaska 99516
907-575-2279

City of Unalaska Legislative Report **3/15/25**

The first week of March was bustling with legislative activity, featuring over 50 unique bill hearings in both the House and Senate committees. Among these discussions, House Bill 69, focused on education, emerged as a highlight. Following an extensive multi-day debate, during which more than 100 amendments were considered, the bill successfully passed in the House.

The approved version of HB 69 includes a significant \$1,000 increase to the Base Student Allocation (BSA), among other expenditures, bringing the estimated total impact to nearly \$275 million annually. Notably, two minority members broke rank to join the majority, resulting in a vote split of 24-16. While there appears to be a growing consensus in both chambers to support an increase in the BSA, the issue of funding mechanisms remains contentious. The Senate is now poised to review the bill, weighing its financial implications against a multitude of other budgetary obligations and priorities.

Last week, the Department of Revenue (DOR) presented its [Spring Forecast](#) to both the Senate and House Finance Committees. Approximately 40% of the state's budget is dependent on oil revenue, a figure that DOR updates biannually. The latest Spring Forecast indicates a decline compared to the previous fall, with an estimated drop of about \$30 million in undesignated general funds, contributing to a \$200 million deficit for the current fiscal year.

For fiscal year 2026 (FY26), DOR projects general-purpose revenue to be \$6.13 billion, which is \$70 million less than the \$6.2 billion forecasted in the fall. Under Governor Dunleavy's proposed budget for FY26, this updated forecast results in a substantial \$1.64 billion deficit.

In response, the Senate Finance Committee has tasked the Legislative Finance Division to run a few different scenarios based on this updated forecast along with updated Medicaid costs, contracts, and the House's version of HB 69 that includes a \$1,000 increase to the BSA and what a balanced budget might look like, including a PFD. See table below:



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House Finance Co-Chairman's FY25-28 Scenario 5
Modified by SFIN to Add Medicaid Growth of 4.5% from MESA Report and full
HB 69 Cost (\$275.9 million)
(Illustration only, millions)

Item	FY26	Notes
1 UGF Revenue Forecast	6,198.8	
2 GovAmend Operating Budget/Fund Transfers	4,971.5	
3 Surplus Remaining	1,227.3	
4 Placeholder for New Contracts	40.0	Increased from previous estimate due to ACOA 11%
5 Foundation Formula Increase	275.9	Rules CS for HB 69, incl. \$1,000 BSA increase
6 Pupil Transportation Increase	7.3	Matches FY25
7 Community Assistance	6.7	For \$30m total FY26 distribution
8 Child Care	7.5	Matches FY25
9 Fire Suppression (above Gov)	-	Matches Gov (\$25.8 million)
10 Disaster Relief Fund (above Gov)	-	Matches Gov (\$13.0 million)
11 AMHS Backstop	10.0	Matches FY25, FY28 increase to \$76.5
12 Capital Budget	300.0	GovAmend = 294.0
13 Legislative Capital Budget Additions	-	
14 DM, School Construction/Maintenance, UA DM	50.0	
15 Fiscal Notes	-	
16 Other Changes	40.0	Subcommittee and other additions
17 Balanced Budget PFD	489.9	\$701 per recipient
18 Total Additions	1,227.3	
19 Deficit	-	

As Co-Chair Hoffman voiced on record during the hearing, the resulting PFD amount (\$701) under this scenario is roughly \$1,000 less than what eligible Alaskans received last year. You can listen to this hearing including presentations by the Legislative Finance Division and the Department of Revenue's Spring Forecast [here](#).

Senate Finance also heard SJR 14 this week, a constitutional amendment that would consolidate the Permanent Fund's two-account structure into one and constitutionally limit the draw to five percent of market value (POMV) of the Fund for the first five of the preceding six fiscal years. If the resolution were to pass this legislative session, the question of adopting this constitutional amendment would be put before voters in the next general election.

This would require a $\frac{2}{3}$ vote of the Legislative body, which is a higher threshold than other legislation not making a constitutional change. If achieved, the proposed change would go straight to voters' consideration and would not be subject to the Governor's signature or approval. You can listen to this hearing [here](#).

Friday, March 14th, marked the 53rd day of the 34th Alaska State Legislature, nearing the half-way mark of the constitutional 121 days allotted for the Legislature to pass a budget. As the House wraps up its work on the budget, the Senate is preparing to do its own deeper dive with Senate Finance Subcommittees already underway. Stay tuned for more updates next week.



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Upcoming Schedule

Description	Date, Time & Location
BARNES 124 -HOUSE RESOURCES + Consideration of Governor's Appointees: TELECONFERENCED -Alaska Oil and Gas Conservation Commission: Jessie Chmielowski -Big Game Commercial Services Board: Aaron Bloomquist, Keegan McCarthy and Martin Boniek -State Assessment Review Board: Sam Laffey += HB 33 CONFLICT OF INTEREST: BD FISHERIES/GAME TELECONFERENCED -- Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED	Mon 3/17/25 1:00 PM
GRUENBERG 120 -HOUSE FISHERIES *+ HB 125 BOARD OF FISHERIES MEMBERSHIP TELECONFERENCED -- Invited & Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED	Tue 3/18/25 10:00 AM
GRUENBERG 120 -HOUSE FISHERIES *+ HB 129 FISHERIES PROD DEVELOPMENT TAX CREDIT TELECONFERENCED -- Invited & Public Testimony -- + Bills Previously Heard/Scheduled TELECONFERENCED	Thu 3/20/25 10:00 AM

Bill	Title	Prime Sponsor	Status & Upcoming Hearings	Position
HB 1	Specie As Legal Tender	MCCABE	(H) REFERRED TO STATE AFFAIRS (1/22)	

HB 1, titled Species As Legal Tender, aims to establish gold and silver specie as legal tender in Alaska. The bill prohibits boroughs and cities from levying sales and use taxes on the sale or exchange of specie. It defines specie as gold or silver valued primarily based on its metal content, in the form of coins or bullion stamped with its weight and purity. The bill also authorizes the Legislative Budget and Audit Committee to study the possibility of establishing additional forms of legal tender.

HB 13	Municipal Property Tax Exemptions	GRAY	(H) REFERRED TO COMMUNITY & REGIONAL AFFAIRS (3/10)	
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HB 13, Municipal Property Tax Exemptions, is a bill that aims to provide optional municipal property tax exemptions for certain long-term rental units, mobile home parks, and real property rented to low-income families. The bill allows municipalities to exempt or partially exempt from taxation structures converted from short-term to long-term rental units, mobile home parks for up to 10 years after construction or renovation, and real property rented to low-income families at a rent not exceeding 30% of the median family income. This legislation seeks to incentivize affordable housing and support low-income families in Alaska.



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HB 18	Vehicles/boats: Transfer On Death Title	RAUSCHER	(H) Heard & Held (2/13)
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HB 18 aims to simplify the process of transferring ownership of vehicles and boats in Alaska upon the death of the owner. The bill allows the owner to obtain a "transfer on death title" for their vehicle or boat, which automatically transfers ownership to a designated beneficiary upon the owner's death. This process eliminates the need for probate and reduces the administrative burden on the estate. The bill outlines the requirements for obtaining a transfer on death title, including the submission of an application and payment of a fee. It also provides for the revocation or change of a transfer on death title and establishes the rights and responsibilities of the designated beneficiary.

HB 26	Statewide Public & Community Transit Plan	MINA	(H) -- Testimony <Invitation Only> -- (3/20) 03/18/25 8:00 AM in BARNES 124 03/20/25 8:00 AM in BARNES 124
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HB 26 aims to enhance the duties of the Department of Transportation and Public Facilities in Alaska. The bill requires the department to develop a comprehensive, long-range intermodal transportation plan, including public, tribal, and community transit programs. It also mandates the department to study alternative means of transportation, considering economic, social, and environmental effects. The bill adds a new responsibility to the department, requiring it to develop a statewide public and community transit plan in cooperation with public and community transit operators, local governments, communities, and tribal entities. This plan will help improve transportation systems in urban, rural, and remote areas. Furthermore, the bill emphasizes the importance of coordination and cooperation with federal, state, and local government agencies, as well as private organizations and persons.

HB 31	Vessels: Registration/derelict Fund	STUTES	(H) REFERRED TO RULES (3/14)
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HB 31 aims to amend the registration requirements for commercial vessels in Alaska and make changes to the derelict vessel prevention program fund. The bill would exempt certain boats from registration, including those with valid certificates of number from other states and foreign boats operated in Alaska for less than 90 days. The bill would also repeal the derelict vessel prevention program fund and transfer its balance to the general fund. The changes aim to simplify vessel registration and address the issue of derelict vessels in Alaska's waters.

HB 33	Conflict Of Interest: Bd Fisheries/game	STUTES	(H) -- Public Testimony <Time Limit May Be Set> -- (3/17) 03/17/25 1:00 PM in BARNES 124
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HB 33 amends Alaska law to clarify conflict of interest rules for members of the Board of Fisheries and the Board of Game. The bill requires members to disclose personal or financial inter-



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ests related to fish or game resources but allows them to deliberate and participate in matters unless their involvement would result in a violation of conflict of interest laws. Members with a conflict of interest may not vote on the matter. The bill aims to balance the need for expertise and public participation with the need to prevent conflicts of interest.

HB 78	Retirement Systems; Defined Benefit Opt.	HOUSE FINANCE	(H) Heard & Held (2/27)	
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HB 78 is a bill that allows certain employees to opt-in to the defined benefit retirement plan. The bill impacts municipalities as it affects the retirement plans of their employees. The legislation applies to teachers and public employees who first became members of the defined contribution retirement plan after June 30, 2006, and before July 1, 2025.

HB 125	Board Of Fisheries Membership	JIMMIE	(H) -- Invited & Public Testimony -- (3/18) 03/18/25 10:00 AM in GRUENBERG 120	
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SB 10	Paid Family Leave/wage Replacement Insur.	DUNBAR	(S) REFERRED TO LABOR & COMMERCE (1/22)	
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SB 50	Municipal Comprehensive Plans: Housing	DUNBAR	(S) ADVANCED TO THIRD READING 3/17 CAL (3/14)	
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SB 50 amends Alaska Statute 29.40.030(a) to require first and second-class boroughs to include a housing plan in their comprehensive plans. The bill aims to guide physical, social, and economic development in these boroughs, addressing housing needs and providing recommendations for implementation of the comprehensive plan.

SB 79	Payment Of Wages; Payroll Card Account	SENATE LABOR & COMMERCE	(H) -- Testimony <Invitation Only> -- (3/19)	
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SB 79 is a bill that relates to wage payments in Alaska. The bill amends existing law to allow employers to pay employees' wages by crediting a payroll card account, but only if the employee has voluntarily authorized the credit or has not authorized deposit of their wages. The bill requires employers to notify employees of their wage payment options, payroll card terms and conditions, and fees associated with the payroll card.

The bill aims to provide employees with greater flexibility and protection in receiving their wages, while also allowing employers to use payroll card accounts as a convenient and cost-effective way to pay employees.

SB 81	Public Employer Pension Contributions	STEDMAN	(S) -- Testimony <Invitation Only> -- (3/3)	
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Alaska's SB 81 adjusts employer contribution rates in the Teachers' Retirement System and Public Employees' Retirement System to ensure sufficient funding for past service liability and employer contributions.